

**70A-8-505 Duty of securities intermediary with respect to payments and distributions.**

- (1) A securities intermediary shall take action to obtain a payment or distribution made by the issuer of a financial asset. A securities intermediary satisfies the duty if:
  - (a) the securities intermediary acts with respect to the duty as agreed upon by the entitlement holder and the securities intermediary; or
  - (b) in the absence of agreement, the securities intermediary exercises due care in accordance with reasonable commercial standards to attempt to obtain the payment or distribution.
- (2) A securities intermediary is obligated to its entitlement holder for a payment or distribution made by the issuer of a financial asset if the payment or distribution is received by the securities intermediary.

Enacted by Chapter 204, 1996 General Session